

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N.W.
SUITE 301
WASHINGTON, D.C.
20036
(202) 393-2266
FAX (202) 393-2156
E-MAIL alvordlaw@aol.com

RECORDATION NO. 24023 FILED

JUN 28 '02 4-04 PM

SURFACE TRANSPORTATION BOARD

OF COUNSEL
URBAN A. LESTER

June 28, 2002

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Mortgage, dated as of June 28, 2002, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Debtor: Babcock & Brown Rail Funding LLC
599 Lexington Avenue
New York, New York 10022

[Secured Party: Bayerische Hypo-Und Vereinsbank AG, as
Agent
FPA 4 Lease/Asset Finance
Am Tucherpark 1 (FPA)
80538 Munich
Germany]

Mr. Vernon A. Williams
June 28, 2002
Page 2

A description of the railroad equipment covered by the enclosed document is:

One hundred (100) open top hopper cars: FLCX 200200 – FLCX 200299.

A short summary of the document to appear in the index is:

Memorandum of Mortgage.

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Robert W. Alvord", followed by the letters "EML" in a smaller, more formal font.

Robert W. Alvord

RWA/anm
Enclosures

RECORDATION NO. 24023 FILED

JUN 28 '02 4-04 PM

SURFACE TRANSPORTATION BOARD

EXECUTION COPY

MEMORANDUM OF MORTGAGE


Memorandum of Mortgage, made and entered into as of June 28, 2002 by BABCOCK & BROWN RAIL FUNDING LLC, (the "**Debtor**") in favor of BAYERISCHE HYPO- UND VEREINSBANK AG, as Agent under the Security Agreement referred to below (together with its successors and permitted assigns, the "**Secured Party**"). Terms used in this instrument have the meanings assigned thereto in the Security Agreement dated as of December 1, 2000 between the Secured Party and the Debtor (as supplemented, including by Security Agreement Supplement No. 5 dated the date hereof, the "**Security Agreement**").

WITNESSETH:

The undersigned has entered into the Security Agreement, under which the Debtor has granted a security interest in certain railroad equipment bearing reporting marks and road numbers as listed on Exhibit A attached hereto and in each lease referred to on Exhibit B attached hereto to the Secured Party in order to secure the Debtor's performance of its obligations as described in the Security Agreement.

IN WITNESS WHEREOF, the party hereto has caused this memorandum to be duly executed by an officer duly authorized as of the date and year first above written.


BABCOCK & BROWN RAIL FUNDING LLC

By: 
Name: Lawrence Littlefield
Title: Vice President

Memorandum of Mortgage

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 28th day of June in the year 2002 before me personally came Lawrence Littlefield to me known, who, being by me duly sworn, did depose and say that he resides at 127 Danforth Drive, New Canaan, CT 06840; that he is the Vice President duly appointed of Babcock & Brown Rail Funding LLC, the limited liability company described in and which executed the above instrument; and that he signed his name thereto by authority of the officers of the limited liability company.


Notary Public

[Notarial Seal]

KAREN A. HOULIHAN
Notary Public, State of New York
No. 01HO6051904
Qualified in New York County
Commission Expires December 4, 2002

Memorandum of Mortgage

NEWYORK/#90378.2

**Exhibit A
to Memorandum of Mortgage**

EQUIPMENT

Lease #	# Cars	Year Built	Description	Reporting Marks	Casualty Marks
1	100	2002	4300 cu. ft. aluminum rapid discharge open top hopper cars with rotary couplers (Johnstown America Autoflood II)	FLCX 200200 – 200299, inclusive	None.

Exhibit B
to Memorandum of Mortgage

LIST OF LEASES AND OTHER OPERATIVE AGREEMENTS

Lease #

1. Master Car Lease Agreement dated as of June 26, 2002, entered into by and between Flex Leasing Corporation, as lessor, and FirstEnergy Generation Corp., as lessee.

Schedule No. 01 to Master Car Lease Agreement dated as of June 26, 2002, entered into by and between Flex Leasing Corporation and FirstEnergy Generation Corp.

CERTIFICATION

I, Edward M. Luria, an attorney licensed to practice in the District of Columbia, the State of Delaware and the Commonwealth of Pennsylvania, do hereby certify under penalty of perjury that I have compared the attached copy of a Memorandum of Mortgage with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: June 20, 2002

Edward M. Luria

Edward M. Luria